

## **INDEPENDENCE GOLD CORP.**

### **MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS, FORM 51-502F1 For the six months ended June 30, 2019**

This Management's Discussion and Analysis ("**MD&A**") compares the financial results of Independence Gold Corp. and its wholly-owned subsidiaries, Golden Pavilion Resources Ltd. and Silver Quest Resources (US) Ltd. (collectively, "**Independence**" or the "**Company**") for the three and six months ended June 30, 2019 ("**second quarter 2019**" and "**six months fiscal 2019**", respectively) with the comparable period in 2018 ("**second quarter 2018**" and "**six months fiscal 2018**", respectively). This MD&A should be read in conjunction with the unaudited condensed consolidated interim financial statements for the second quarter 2019 and the audited consolidated financial statements and accompanying notes for the year ended December 31, 2018 and the MD&A for all relevant periods, copies of which are filed under the Company's profile on the SEDAR website, [www.sedar.com](http://www.sedar.com).

Independence was incorporated under the *Business Corporations Act* (British Columbia) on November 1, 2011 and commenced trading on the TSX Venture Exchange (the "**Exchange**") on December 29, 2011 under the symbol "IGO". The Company's head office and principal address is 1020 - 625 Howe Street, Vancouver, British Columbia, Canada, V6C 2T6. The Company's registered and records office is 2300 - 550 Burrard Street, Vancouver, British Columbia, Canada, V6C 2B5.

The Company is considered to be in the exploration stage with respect to its mineral properties. No mineral resources have been identified on the Company's mineral properties in the Yukon. An inferred mineral resource has been defined on the 3Ts property in British Columbia

The Company prepares its financial statements in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") and Interpretations issued by the International Financial Reporting Interpretations Committee ("**IFRIC**").

The information contained in this document is provided as of August 29, 2019 (the "**Report Date**").

## **OVERVIEW**

Independence is principally engaged in the evaluation, acquisition and exploration of precious metal properties that are located in North America. The Company's projects range from early-stage grassroots exploration through advanced-stage resource delineation and expansion. The Company's business model is to build shareholder value through systematic project advancement while concurrently maintaining an opportunistic approach to the acquisition of additional precious metals properties. Independence actively manages its property portfolio, farming out or relinquishing properties when exploration results suggest that further expenditures by the Company are unwarranted.

Independence has no producing operations and as a consequence, the Company does not generate any operating income or a positive cash flow. Exploration of its properties is therefore entirely dependent on the Company's ability to access public equity markets to raise sufficient capital and/or its ability to attract joint venture partners to finance further work on its properties. However, with working capital of approximately \$1.3 million at June 30, 2019, Independence is adequately financed to support its anticipated exploration programs in the near term.

## **Mineral Projects**

Independence currently holds interests in three exploration projects in central British Columbia and several projects in the Yukon Territory. With the exception of one British Columbia project (3Ts), the projects are at an early stage of exploration and evaluation, and no resources have been identified.

### ***3Ts Project, British Columbia***

The 3Ts Project is located approximately 120 kilometres ("**km**") southwest of Vanderhoof and consists of six contiguous claim groups: the Tsacha, Tam, Taken, Tommy Lakes, Bot and Blackwater South properties. Collectively, the six properties are made up of fifteen mineral claims covering approximately 5,200 hectares in the Nechako Plateau region of central British Columbia. Independence owns a 100% interest in all six properties, four of which are subject to various net smelter return ("**NSR**") royalties that are payable to the vendors of the properties.

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The 3Ts Project covers an epithermal quartz-carbonate vein system within which more than a dozen individual mineralized veins, ranging up to 900 metres ("m") in strike length and up to 20 m in true width, have been identified.

#### Mineral Resource Estimate

In 2014, the Company updated the mineral resource estimate for the 3Ts Project to incorporate results from the 2012 and 2013 diamond drilling programs on the Ted and Mint veins. The Inferred Resource estimate increased by 12% for the contained ounces of gold and 27% for the contained ounces of silver at a cut-off grade of 1.0 gram per tonne ("g/t") gold. This inferred resource is estimated to contain a total of 441,000 ounces of gold and 12,540,000 ounces of silver.

| Gold                            |                  | Gold        |                | Silver       |                   |
|---------------------------------|------------------|-------------|----------------|--------------|-------------------|
| Cut-off Grade (g/t)             | Tonnes           | Grade (g/t) | Ounces         | Grade (g/t)  | Ounces            |
| <b>Tommy Vein</b>               |                  |             |                |              |                   |
| 0.5                             | 1,615,000        | 3.99        | 207,000        | 39.70        | 2,059,000         |
| <b>1.0</b>                      | <b>1,490,000</b> | <b>4.25</b> | <b>204,000</b> | <b>41.90</b> | <b>2,009,000</b>  |
| 1.5                             | 1,371,000        | 4.52        | 199,000        | 44.30        | 1,953,000         |
| 2.0                             | 1,182,000        | 4.96        | 189,000        | 48.00        | 1,824,000         |
| <b>Ted Vein</b>                 |                  |             |                |              |                   |
| 0.5                             | 2,984,000        | 1.62        | 156,000        | 93.5         | 8,974,000         |
| <b>1.0</b>                      | <b>2,942,000</b> | <b>1.64</b> | <b>155,000</b> | <b>94.7</b>  | <b>8,955,000</b>  |
| 1.5                             | 2,763,000        | 1.72        | 153,000        | 99.5         | 8,837,000         |
| 2.0                             | 2,484,000        | 1.83        | 146,000        | 107.45       | 8,575,000         |
| <b>Mint Vein</b>                |                  |             |                |              |                   |
| 0.5                             | 1,036,000        | 2.47        | 82,000         | 47.5         | 1,581,000         |
| <b>1.0</b>                      | <b>1,020,000</b> | <b>2.51</b> | <b>82,000</b>  | <b>48.0</b>  | <b>1,576,000</b>  |
| 1.5                             | 957,000          | 2.63        | 81,000         | 50.4         | 1,552,000         |
| 2.0                             | 829,000          | 2.94        | 78,000         | 53.0         | 1,411,000         |
| <b>Total Inferred Resources</b> |                  |             |                |              |                   |
| 0.5                             | 5,635,000        | 2.46        | 445,000        | 69.6         | 12,614,000        |
| <b>1.0</b>                      | <b>5,452,000</b> | <b>2.52</b> | <b>441,000</b> | <b>71.5</b>  | <b>12,540,000</b> |
| 1.5                             | 5,091,000        | 2.61        | 433,000        | 75.4         | 12,342,000        |
| 2.0                             | 4,495,000        | 2.86        | 413,000        | 81.7         | 11,810,000        |

The Inferred Resource Estimate for the 3Ts Project was prepared by Allan Armitage, Ph. D., P. Geo of GeoVector Management Inc. in accordance with NI 43-101. NI 43-101 of the Canadian Securities Administrators – Standards for Disclosure for Mineral Projects – requires that each category of mineral reserves and mineral resources be reported separately. Readers should refer to the Company's continuous disclosure documents available at [www.sedar.com](http://www.sedar.com) for this detailed information, which is subject to the qualifications and notes therein.

In the fourth quarter of 2016 and the second quarter of 2017, the Company carried out a mobile metal ion ("MMI") soil sampling program on the property. The work was centered on the known veins and underexplored areas, intending to determine if this soil sampling method could recognize the locations of the Tommy, Ted and Mint veins. The method proved to be effective with gold, silver, zinc, lead and cadmium all returning elevated results down-ice from the Ted Vein. The follow-up program successfully identified five new target areas for follow-up drilling which could identify new mineralized veins below till cover.

Also, in the fourth quarter of 2016, a desktop study of the three veins comprising the 3Ts resource was completed to better understand the controlling features on mineralization. Within all three veins, a central core occurs where the veins range up to 25 m in true thickness and exhibit a sub-vertical, northerly-directed plunge, as defined by the highest grades within the veins. Within all three veins mineralization is open at depth, as well as along strike to the north. The exploration potential is highlighted by drill hole TS05-108 which tested the northern region of the Tommy Vein and returned 12.6 g/t

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gold and 66.8 g/t silver over 7.6 m in a subparallel vein located 80 m east of the Tommy Vein. This intercept occurs at a depth of 200 m below surface and is open for expansion in all directions.

In the first quarter of 2019, an additional desktop review of all historical geological information conducted. This review included all of the historical information and resulted in the levelling of multiple datasets which has been used to guide the Company's exploration efforts in 2019. Currently underway at 3Ts is detailed geological and geophysical mapping, as well as rock sampling.

#### ***Merit Property, British Columbia***

During the first quarter of 2019, the Company acquired an option to earn 60% of the Merit property from Almadex Minerals Ltd. The Merit property consists of four mineral claims covering approximately 1,907 hectares and is located in the Spences Bridge Gold Belt, 20 km northwest of Westhaven's Shovelnose Project. The property hosts three anomalous zones identified by gold-arsenic soil geochemistry with coincident geophysical targets. A historical trench across one of these zones returned 7.24 g/t gold over 1.8 m including 14.99 g/t gold over 0.6 m.

A work program, consisting of prospecting, mapping and geochemical sampling is underway for the second and third quarter of 2019 on the Merit Property.

The Company may earn a 60% interest in the Merit property by making a cash payment of \$10,000 (paid), the issuance of an aggregate of 650,000 common shares (100,000 issued) and completing work commitments of \$725,000 including a commitment to drill 1,000 m over a three year period. Upon completion of the 60% earn-in, Almadex and the Company will form a joint venture for the purpose of carrying out further exploration work on the Merit property. If either party's participation interest falls below 15%, their interest will be converted into a 2% net smelter royalty.

#### ***Nicoamen Property, British Columbia***

During the first quarter of 2019, the Company acquired an option to earn 60% of the Nicoamen property from Almadex Minerals Ltd. The Nicoamen property consists of nine mineral claims covering approximately 3,332 hectares and is located in the Spences Bridge Gold Belt, 40 km northwest of Westhaven's Shovelnose Project. The property hosts four anomalous zones identified by gold-arsenic soil geochemistry with coincident geophysical targets. Historical trench samples returned assays of 0.5 g/t gold over 4.9 m and 3.19 g/t gold over 0.2 m and a composite sample of quartz vein float material collected 600 m northwest of the Discovery Zone returned 64.87 g/t gold.

A work program, consisting of prospecting, mapping and geochemical sampling is underway for the second and third quarter of 2019 on the Nicoamen property.

The Company may earn a 60% interest in the Nicoamen property by making a cash payment of \$10,000 (paid), the issuance of an aggregate of 650,000 common shares (100,000 issued) and completing work commitments of \$725,000 including a commitment to drill 1,000 m over a three year period. Upon completion of the 60% earn-in, Almadex and the Company will form a joint venture for the purpose of carrying out further exploration work on the Nicoamen property. If either party's participation interest falls below 15%, their interest will be converted into a 2% net smelter royalty.

#### ***Boulevard Project, Yukon Territory***

During the second quarter of 2017, the Company expanded the Boulevard Project by staking additional mineral claims. The Project consists of four contiguous properties (Boulevard, YCS, Solitude and Tiger) totaling 958 quartz mining claims covering approximately 19,960 hectares. The Project is located in the Whitehorse Mining District, 135 km south of Dawson City, Yukon, 35 km south of White Gold Corp's Golden Saddle deposit and contiguous to the Coffee Project owned by Newmont Goldcorp Corporation.

Exploration work by the Company on the Boulevard Project has identified three significant gold-in-soil anomalies (Zones): Sunset/Sunrise Zone (including the Hollywood trend); the Denali Zone (including the Kahiltna trend), and the Runway Zone.

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The Sunset and Sunrise trends together comprise a continuous northwest trending multi-element soil anomaly that extends over 2,400 m in length. The eastern margin of the Sunrise Zone also defines a northeasterly trend that extends for 1,400 m.

During the 2017 field season, a total of 977.5 m of diamond drilling was completed in nine holes within the Sunrise/Sunset Zone. Drilling focused primarily on the intersection of the Sunrise and Sunset trends. The best result from this program was BV17-58 which intersected 3.10 g/t gold over 1.5 m including 76.2 g/t gold in the coarse fraction of the sample. The elevated gold values in the coarse fraction exhibit what is known as the "nugget effect". This effect was identified for the first time during the 2017 field program and requires further investigation.

In addition, the 2017 program included the collection of 2,400 geochemical soil samples. The Boulevard Project now contains 25 distinct anomalous soil trends.

#### ***Moosehorn Property, Yukon Territory***

The Moosehorn property is owned 100% by the Company. The property consists of 82 quartz mining claims covering an area of approximately 1,720 hectares. Moosehorn is located in the Whitehorse Mining District, approximately 130 km southwest of Dawson City, Yukon.

During the 2016 and 2017 summer field seasons, the Company completed additional soil geochemical sampling grids and extended the gold-arsenic soil anomaly from 1,200 m to 1,550 m. The anomaly remains open to the north.

In addition, during the 2017 field program, the company completed 22 geoprobe drill holes approximately 5 m apart along a line orientated obliquely to the soil anomaly. The majority of the geoprobe holes were highly anomalous in arsenic, and minimally anomalous in gold. The Moosehorn property is underlain by a granodiorite intrusion and is situated approximately 2 km south of an active placer gold operation.

No work was completed on the Moosehorn property in 2018, and on December 31, 2018 the property was written-off with associated costs of \$88,416.

#### ***Henderson Property, Yukon Territory***

On September 17, 2018, the Company entered into a property purchase agreement whereby the property was purchased by White Gold Corp in exchange for \$25,000 cash and 100,000 common shares of White Gold Corp. valued at \$173,000 and the Company wrote-down acquisition costs of \$1,073,780 associated with this property.

#### ***Stinger Property, Yukon Territory***

On August 27, 2018, the Company entered into a property purchase agreement with ATAC Resources Ltd and the property was sold in exchange for 60,000 common shares of ATAC Resources Ltd., valued at \$30,600 and the Company wrote-down acquisition costs of \$13,836 associated with this property.

#### ***Flow Property, Yukon Territory***

On September 17, 2018, the Company entered into a property purchase agreement whereby the property was purchased by White Gold Corp in exchange for \$10,000 cash and 50,000 common shares of White Gold Corp valued at \$86,500.

#### ***Birdman Property, Yukon Territory***

On September 17, 2018, the Company entered into a property purchase agreement whereby the property was purchased by White Gold Corp in exchange for 10,000 common shares of White Gold Corp valued at \$17,300.

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For additional information please visit the Company's website [www.ingold.ca](http://www.ingold.ca).

#### **RESULTS OF OPERATIONS**

##### **For the three months ended June 30, 2019 and 2018**

The net loss for the three months ended June 30, 2019 was \$384,925 compared to \$275,144 for the prior year's comparative period.

Expenses for three months ended June 30, 2019 amounted to \$402,202 (2018 - \$266,445). Exploration expenditures were higher in 2019 compared to 2018. The increase in exploration expenditures were primarily a result of recoveries received in 2018 that did not occur in 2019, in addition to higher exploration expenditures due to active field programs. The amount received in 2018 was \$79,888. Amortization and interest expense were also higher in 2019 compared to 2019 as the Company adopted IFRS 16. Upon adoption of IFRS 16, the Company recognized right-of-use assets and lease liabilities of approximately \$1.0 million. Also during 2019, the Company issued 2,150,000 stock options resulting in a share-based compensation expense of \$130,968. In 2018, no stock options were granted.

##### **For the six months ended June 30, 2019 and 2018**

The net loss for the six months ended June 30, 2019 was \$823,833 compared to \$434,974 for the prior year's comparative period.

Expenses for six months ended June 30, 2019 amounted to \$820,855 (2018 - \$415,228). Exploration expenditures were higher in 2019 compared to 2018. In 2019, the Company's B.C. exploration programs were more extensive than in 2018, and incurred greater geological, geophysical, field supplies and land tenure expenditures.

#### **Summary of Quarterly Results**

The following table summarizes information derived from the Company's financial statements for each of the eight most recently completed quarters.

|                               | <b>Year:</b>          | <b>2019</b>   | <b>2019</b>   | <b>2018</b>   | <b>2018</b>   | <b>2018</b>   | <b>2018</b>   | <b>2017</b>   | <b>2017</b>   |
|-------------------------------|-----------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                               | <b>Quarter Ended:</b> | <b>Jun 30</b> | <b>Mar 31</b> | <b>Dec 31</b> | <b>Sep 30</b> | <b>Jun 30</b> | <b>Mar 31</b> | <b>Dec 31</b> | <b>Sep 30</b> |
| Net sales or total revenue    |                       | \$Nil         | \$Nil         | \$Nil         | \$Nil         | \$Nil         | \$Nil         | \$Nil         | \$Nil         |
| Net income (loss):            |                       |               |               |               |               |               |               |               |               |
| (i) in total (000s)           |                       | \$(385)       | \$(439)       | \$(418)       | \$(1,381)     | \$(275)       | \$(160)       | \$(377)       | \$(1,267)     |
| (ii) per share <sup>(1)</sup> |                       | \$(0.01)      | \$(0.01)      | \$(0.01)      | \$(0.02)      | \$(0.01)      | \$(0.00)      | \$(0.01)      | \$(0.02)      |

(1) Fully diluted loss per share amounts are not shown as they would be anti-dilutive.

While the information set out in the foregoing table is mandated by *National Instrument 51-102*, it is management's view that the variations in financial results that occur from quarter to quarter are not particularly helpful in analyzing the Company's performance. It is in the nature of the business of junior exploration companies that unless they sell a mineral interest for a sum greater than the costs incurred in acquiring such interest, they have no significant net sales or total revenue.

Significant variances in the Company's reported loss from quarter to quarter most commonly arise from several factors that are difficult to anticipate in advance or to predict from past results. These factors include: (i) level of exploration and project evaluations expenses incurred, (ii) decisions to write off acquisition costs when management concludes there has been an impairment in the carrying value of a mineral property, or the property is abandoned, and (iii) the vesting of

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incentive stock options, which results in the recording of amounts for share-based compensation expense that can be quite large in relation to other general and administrative expenses incurred in any given quarter.

#### Financing Activities

During the six months ended June 30, 2019, the Company made lease payments of \$56,944 and issued 200,000 shares, pursuant to the Merit and Nicoamen property agreements.

During the six months ended June 30, 2018, the Company did not issue any shares.

#### Investing Activities

During the six months ended June 30, 2019, the Company withdrew \$Nil (2018 – \$97,165) in short term investments, received \$15,501 in long-term deposits (2018 - \$Nil), acquired \$20,000 in mineral properties (2018 - \$Nil) and received \$171,400 (2018 - \$Nil) pursuant to the sale of investments.

#### Off Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

#### Transactions with Related Parties

The Company has two wholly-owned subsidiaries: Golden Pavilion Resources Ltd. (incorporated in British Columbia); and Silver Quest Resources (US) Ltd. (incorporated in Nevada). There was no activity in either company during first half of 2019.

#### Key Management Personnel

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of executive and non-executive members of the Company's Board of Directors and corporate officers, including the Company's Chief Executive Officer and Chief Financial Officer.

The Company entered into the following transactions with related parties and key management personnel during the six months ended June 30, 2019.

Paid or accrued the following to Rand Explorations Ltd., a company controlled by Randy Turner, the President and Chief Executive Officer of the Company:

|                            | <b>2019</b> |    | <b>2018</b> |
|----------------------------|-------------|----|-------------|
| Management fees            | \$ 56,250   | \$ | 43,350      |
| Geological consulting fees | 1,238       |    | 5,174       |
| Share based compensation   | 18,276      |    | -           |

Paid or accrued the following to Kendra Johnston, former President of the Company, whose tenure ended May 31, 2019:

|                            | <b>2019</b> |    | <b>2018</b> |
|----------------------------|-------------|----|-------------|
| Management fees            | \$ 28,125   | \$ | 33,750      |
| Director fees              | 2,500       |    | 3,000       |
| Geological consulting fees | 4,607       |    | 22,827      |
| Share based compensation   | 19,799      |    | -           |

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Paid or accrued the following to Harry Chan, who started his tenure on December 1, 2017, as the Chief Financial Officer of the Company:

|                          | <b>2019</b> |    | <b>2018</b> |
|--------------------------|-------------|----|-------------|
| Management fees          | \$ 36,000   | \$ | 36,000      |
| Share based compensation | 18,276      |    | -           |

Paid or accrued the following to non-executive directors of the Company:

|                          | <b>2019</b> |    | <b>2018</b> |
|--------------------------|-------------|----|-------------|
| Director fees            | \$ 20,000   | \$ | 19,500      |
| Share based compensation | 68,535      |    | -           |

Included in receivables at June 30, 2019 is \$27,024 (December 31, 2018 - \$9,683) due from companies with directors and/or officers in common. Included in accounts payable and accrued liabilities at June 30, 2019 is \$16,063 (December 31, 2018 - \$9,750) due to directors and companies with directors and/or officers in common.

The Company provides geological, office and administrative services to public companies with common directors. During the six months ended, June 30, 2019, the Company received or accrued \$13,950 (June 30, 2018 - \$14,325) for rent and \$14,912 (June 30, 2018 - \$22,553) for accounting, investor relations, geology and other.

#### **LIQUIDITY AND CAPITAL RESOURCES**

Independence has no operations that generate cash flows and the Company's future financial success will depend on the discovery of one or more economic mineral deposits. This process can take many years, can consume significant resources and is largely based on factors that are beyond the control of the Company's management.

For the foreseeable future, Independence will rely upon its ability to raise financing through the sale of equity. This is dependent on positive investor sentiment, which in turn is influenced by a positive climate for precious metal exploration generally, a company's track record and the experience and calibre of a company's management.

There is no assurance that Independence will be able to access equity funding at the times and in the amounts required to fund the Company's activities. The outlook for the world economy remains uncertain and vulnerable to various events that could adversely affect the Company's ability to raise additional funds going forward.

#### **Cash and Financial Condition**

The Company's working capital was approximately \$1.3 million at June 30, 2019, which is sufficient to cover anticipated operating costs and expenditures on the exploration programs on its properties for the near term. Nevertheless, the Company will evaluate offers of financing to enable the Company to maintain a strong balance sheet while continuing to fund exploration projects that are generating positive results.

Independence has no other debt, does not have any unused lines of credit or other arrangement in place to borrow funds, and has no off-sheet balance arrangement. The Company has no current plans to use additional debt financing and does not use hedges or other financial derivatives.

#### **Financial Instruments**

The Company's financial instruments currently consist of cash and cash equivalents, short-term investments, marketable securities, receivables, prepaid expenses, exploration advances and land-use deposits, and accounts payable and accrued liabilities. The fair value of cash and cash equivalents, marketable securities and short-term investments are measured based on Level 1 of the fair value hierarchy. The fair value of receivables, prepaid expenses, exploration advances and land-use deposits and accounts payable and accrued liabilities approximate their book values because of the short-term nature of these instruments. Moreover, it is management's opinion that the Company is not exposed to significant interest,

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currency or credit risks arising from these financial instruments.

#### **NEW IFRS STANDARDS**

IFRS 16, published on January 13, 2016, supersedes IAS 17 – Leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless a lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. IFRS 16 applies to reporting periods beginning on or after January 1, 2019.

On January 1, 2019, the Company adopted IFRS 16 using the modified retrospective method. Under this method, financial information will not be restated and will continue to be reported under the accounting standards in effect for these periods. On January 1, 2019, the Company recognized lease obligations related to its lease commitments for its office lease and measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate as at January 1, 2019. The associated right of use asset was measured at the lease obligation amount, less prepaid lease payments, which resulted in no adjustments to the opening balance of retained earnings. The Company applied practical expedients permitted under the new standard.

As at January 1, 2019 the Company has recognized approximately \$1 million in right-of-use assets and \$1 million of incremental lease obligations.

#### **OUTSTANDING SECURITIES DATA**

On the Report Date, the Company had the following securities outstanding:

|               |                   |
|---------------|-------------------|
| Common Shares | 56,290,392        |
| Options       | <u>4,655,000</u>  |
| Fully Diluted | <u>60,945,392</u> |

#### **OUTLOOK**

The Company continues to evaluate and discuss with other parties' potential gold and silver projects for possible acquisition, potential transactions and corporate opportunities to add to its current portfolio of properties. With the acquisition of Merit and Nicoamen, the Company is excited to start advancing these projects using grassroots exploration methods. In addition, the Company is continuing to work on 3Ts Project on the Nechako Plateau in central British Columbia, where the Company has defined an inferred resource.

#### **FORWARD-LOOKING INFORMATION**

Certain of the statements made and information contained herein is "forward-looking information" within the meaning of the British Columbia Securities Act. This includes statements concerning the Company's plans at its mineral properties, which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Forward-looking information is subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking information, including, without limitation, the ability of the Company to continue to be able to access the capital markets for the funding necessary to acquire and maintain exploration properties and to carry out its desired exploration programs; competition within the minerals industry to acquire properties of merit, and competition from other companies possessing greater technical and financial resources; difficulties in executing exploration programs on the Company's proposed schedules and within its cost estimates, whether due to weather conditions in the areas where it operates, increasingly stringent environmental regulations and other permitting restrictions, or other factors related to exploring of its properties, such as the availability of essential supplies and services; factors beyond the capacity of the Company to anticipate and control, such as the marketability of mineral products produced from the Company's properties,



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government regulations relating to health, safety and the environment, and the scale and scope of royalties and taxes on production; the availability of experienced contractors and professional staff to perform work in a competitive environment and the resulting adverse impact on costs and performance and other risks and uncertainties, including those described in each management's discussion and analysis of financial condition and results of operations. In addition, forward-looking information is based on various assumptions including, without limitation, assumptions associated with exploration results and costs and the availability of materials and skilled labour. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Accordingly, readers are advised not to place undue reliance on forward-looking information. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise forward-looking information, whether as a result of new information, future events or otherwise.